

ECONOMIC DEVELOPMENT FUND

PROGRAM:

Economic Development Grant and Loan Program

PROGRAM ELEMENT:
PROGRAM MISSION:

To offer financial assistance to private employers who are located or who plan to locate or substantially expand operations in the County in order to increase job opportunities for County residents, enhance the County's competitiveness nationally, and increase its tax base

COMMUNITY OUTCOMES SUPPORTED:

- Increase employment opportunities and economic security for County residents
- Expand and enhance the value of the County's tax base
- Foster a positive business climate

PROGRAM MEASURES^a

	FY02 ACTUAL	FY03 ACTUAL	FY04 ACTUAL	FY05 BUDGET	FY06 CE REC
Outcomes/Results:^{b,c}					
Number of businesses that expanded or located in the County	15	6	3	6	5
Number of jobs retained in the County or attracted from other jurisdictions	2,316	407	242	250	250
Number of new jobs projected to be created within 3 years of EDF assistance	1,989	233	260	400	250
Amount of new private capital invested or projected to be invested (\$000)	215,410	84,395	2,600	11,000	5,000
Service Quality:					
Average time from submission of the application to making the EDF offer (days) ^d	20	19	19	18	18
Efficiency:					
Amount of EDF assistance provided per job retained or created (\$)	474	1,005	339	2,308	1,682
Amount of private capital invested in projects per dollar of EDF assistance (\$)	105.59	131.25	15.29	1.47	5.95
Workload/Outputs:					
Number of EDF offers of assistance made to the applicant businesses	18	7	6	6	8
Inputs:					
Expenditures (disbursements from cumulative appropriations) (\$000)	2,040	643	170	^e 7,500	841
Annual approved budget + supplemental appropriations (\$000)	2,221	480	^e 7,216	566	566

Notes:

^aDetailed information on EDF transactions is published in an annual report to the County Council on March 15 of each year. Due to the difference in the reporting year used for that report versus the fiscal year used here, the results reported here may differ from those in the annual report.

^bDue to the very dynamic nature of business expansion/relocation projects, the information provided above must be constantly updated to remain accurate. The figures shown in this display are, therefore, subject to adjustments from year to year. For example, a business that relocated to the County from New Jersey in FY03 could, due to a subsequent merger, move out of the County in FY05, prompting an adjustment to the reported Outcomes/Results for FY03.

^cThere is a time lag between when a company accepts the EDF assistance and when the EDF disbursement to that company is made. To achieve consistency in reporting, Outcomes/Results are reported when a business receives EDF disbursement, not when it accepts the offer.

^dApplication processing time includes fiscal impact analysis, due diligence, and negotiations with the State of Maryland.

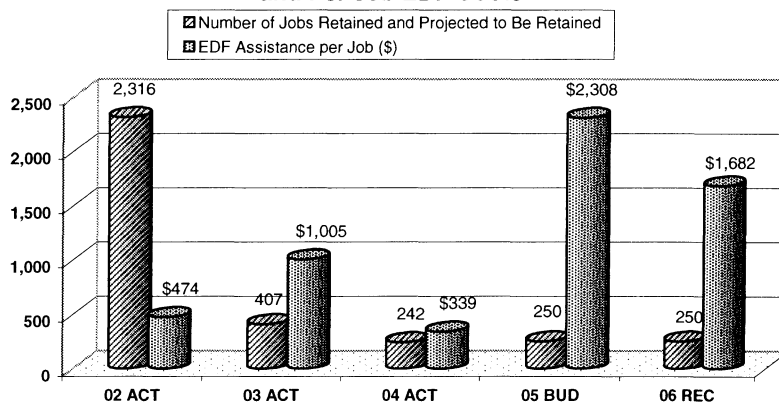
^eIn late FY04, \$6.75 million in supplemental appropriations were approved to close the deal for the Westfield's Parking Lot Project (\$6 million) to attract Macy's into the Wheaton Mall, and to close the deal for the Nederlander project (\$750,000). The actual disbursement on these two projects will occur in FY05, upon verification of project completion. The \$6 million for the Parking Lot Project is not included in the FY05 efficiency measure, "EDF assistance per job retained or created," because it is not tied to job creation.

EXPLANATION:

The Economic Development Fund (EDF) program consists of four sub-programs: the Economic Development Grant and Loan Program, the Technology Growth Program, the Small Business Revolving Loan Program, and the Demolition Loan Program. The first three sub-programs are administered by the Department of Economic Development, and the fourth by the Department of Housing and Community Affairs. The EDF itself is administered by the Department of Finance. This page only reports on the Economic Development Grant and Loan Program, which has the largest budget and broadest usage.

The EDF has consistently realized a greater leverage ratio of private sector capital to EDF dollars invested - and a much lower per-job cost than comparable economic financing programs (most of which expend over \$3,000 to retain/create a job).

**Total Jobs Retained/Projected to Be Created
and Per Job EDF Costs**



PROGRAM PARTNERS IN SUPPORT OF OUTCOMES: Department of Finance, Office of the County Attorney, State of Maryland.

MAJOR RELATED PLANS AND GUIDELINES: County Code Chapter 20-73 to 20-76, Executive Regulation 47-95, Senate Bill 446, Executive Regulation 23-99AM, The Annotated Code of Maryland, Article 83, Section 5-1405.